

Good afternoon, My name is Doug Olsen I am the District Administrator for the Kickapoo Area School District. We are a consolidated school district of three communities with one school building located just outside of Viola, Wisconsin. Our district consistently serves an economically disadvantaged population that comprises over half of the student body. We have also been recognized by US News and World Report High School rankings for 10-11 years, 3 Silvers and 7 Bronze awards. I have been an employee of the district for 27 years, the last 8 as the District Administrator. During my time as a community member here, we have seen our student membership decline 150 students which obviously meant a lot of reductions in staffing, we are an open enrollment positive school district with 100 students in and 36 out. We have developed unique partnerships with businesses to provide apprenticeships, we have excellent relationships with UW Platteville and SWTC to provide both transcribed credit coursework, and distance learning options to our students, we have an active robotics program at the high school level. Even with our creativity and relationship building, we are at a distinct disadvantage in Wisconsin's funding model due to low property valuations, and a comparatively low revenue limit. (9689)

From the No time to Lose Report:

The revenue that local governments provide for public education is primarily generated from local property taxes, thus the funding provided for public education is largely tied to property values and the wealth of a community. This contributes to school funding inequities between high poverty and low-poverty districts. The growth of manufacturing and other industries, the relative decline in the importance of agriculture, the migrations to cities and to suburbs have created enormous imbalances in this traditional system. Real estate is no longer the fundamental measure of the ability of people to pay for government services or of their need for them. Yet it has persisted as practically the sole basis for financing schools and other community activities, that very persistence has become one of the principal causes of the growing inequity. The funding inequity has been exacerbated over the years by disinvestment at the state level, and more recent decisions to skirt the equalization aid formula. In 2010 a taxpayers alliance report indicated that the Adjusted gross income (AGI) in rural districts averaged just over \$41,000, or about 20% less than incomes elsewhere (\$52,000). The 24 districts with the lowest AGIs were all rural, I am pretty sure this hasn't changed, or the gap has widened. This lower adjusted family income level, and a state direction that favors local referenda to fund education, puts small rural districts with low property values at a significant disadvantage. Add to this the crisis going on in our farming communities, and we have to ask ourselves if we should be enacting policies that exacerbate inequity.

I would like to show you a graphic example of how two school districts with vastly differing property values have different opportunities for their students, right here in Wisconsin.

1. The first graph shows the actual number of students who are educated in these two school districts, so this is enrollment. Part of what makes the funding model difficult to understand is that we use 3 prior years membership to determine our revenue limit, we use the current 3 years membership to determine per pupil categorical aid, and we use last years membership to determine this year's equalization aid payment, But we have to use enrollment to determine our staffing
2. Graph 2 represents the allowable base revenue per member with all exemptions.
3. Graph 3 is the total budget of the 2 school districts. This budget number includes all revenues, including per pupil categorical aid, high cost transportation aid, sparsity aid, federal and local resources. Yes school district B qualifies for all three of these extra pots of state aid outside of the formula and results in TWICE the revenue.
4. Graph 4 demonstrates the level of aid that each district receives through the equalization aid formula.
 - 4,683, 291 of this limit we received 3,187,451 in state aid. Which makes Kickapoo 68% aided through equalization aid,
 - 9, 932,062 of that limit School district B received 4,153 in state aid. Which is virtually 0% aided through the formula.
5. Since District B receives virtually no aid through the formula, what is typically assumed is that School District B must then pay a extraordinary local taxation for schools. Lets see if this actually plays out that way, but before we do that we need to look at the equalized values of the school districts. Kickapoo's equalized value is 192 million, and School District B 3.4 billion. We have 5.5% of the equalized value of school district B.
6. The next graph is a comparison of the resulting mil rates. As a point of reference, Kickapoo's mil rate is low for CESA 3. There are 46 school districts with mil rates above 12 in the state of Wisconsin, 10 of those 46 are in CESA 3. CESA 3 accounts for 7% of the districts statewide, but 22% of the districts with mil rates above 12. 41-46 are considered rural districts, the other 5 are suburban and most have recently passed very large building referenda.
7. The next graph shows two actual tax bills for homes located in the corresponding school districts. One with a value of 307,000, and one 179,000. The first graph shows how much we levy for school tax, the second graph is after the school tax levy reduces the tax, and the third is the net school tax bill. I want you to look at this, a home with 40% more value, pays half the taxes to support twice the budget. (Town of Gibraltar Tax Levy Credit = 416,147 Town of Union = 76,696.)
8. What does that large budget and low taxation buy you? It buys you more teachers, which allows you to reduce their extra duties, provide for common planning time without cutting school days short. It makes the job of teaching and preparing more focused, but it also allows you to offer more coursework to your students.
9. School district B can offer 3 times as many AP courses, they administered many more AP exams. The district has more aides, more district wide positions that support student learning

such as: Extra Guidance Counselor, Dean of Students, RTI coordinator, Math and Reading Interventionists, Reading specialist, 7-12 study center. I would like to note that there are some very good things going on in school district B, they are high achieving across the board. A point of comparison with AP testing and Economically Disadvantaged students. The percentage of tests given to economically disadvantaged students statewide is 13% of the total tests, 17% at School District B, and 36% at Kickapoo.

10. When you have these support positions, as well as aides, your job of recruitment and retention is easier, and of course (next graph) people are paid 20% more.
10 years ago we would get 60-70 applicants to narrow to 6 for interviews, now we can't get 6 applicants.
11. Who do we serve? Sen. Olsen has stated correctly in previous Commission Hearings that poverty impacts children in terms of their readiness to learn by the time that they enter 4K. A recent Brookings Institute Study found that only 48% of poor students are ready for school at age 5, compared to 75% of students from moderate to high income families From vocabulary and pre-literacy skills, to numeracy, emotional regulation, and trauma, kids in poverty are more at risk to come to school less prepared.

So we have half the budget, on twice the taxes, on a home that has 60% of the value, to support twice the students in need.

12. Until recently, lawmakers have decided that schools need less funding from the state, and if they need more funding it should be voter decided. As the state has invested less in education on a per pupil basis, referenda have increased. Where do referenda questions have a better chance of passing? Rural Wisconsin still has a lot of farmers, who are struggling to pay their bills. As you have heard, Western Wisconsin leads the nation in lost farms due to bankruptcy and farmer suicide. In which community does a referendum to override the revenue limit have a better chance of passing? Clearly the referenda mechanism favors the higher land value districts.
13. To take this example even further, school district B asked for a recurring 2.875 million referenda, and it passed and is baked into the current taxation. This next graph shows what that would cost the owner of this house in my school district?. This would bring the total revenue of Kickapoo to 75% of District B.

In conclusion, you have a tough task ahead of you, but I want to remind you of something.

When some of you as our elected representatives collectively voted to fund private schools through voucher expansion, it wasn't about the LFB "runs" it was about a gut level, principle based vote on "choice". There wasn't a statewide referendum to decide if taxpayers wanted to fund more private school education and give tax credits to those who send their children to private school, it was done based on a principle based and value based vote in the legislature. One would think that this same logic, this same principle based ideology, would apply to school funding. The idea that children should have equality of opportunity through changes in the

funding system would also be about values and that you would have the courage and wisdom to do the right thing in spite of the “LFB runs”. I realize that the recent school funding mechanism of per pupil categorical aid was a tax control values issue, people enjoy lower taxes, the difficulty is that in years where state support is less than adequate, referenda favor the high property value districts. Then you really don’t have lower taxes, you have a bait and switch tactic, blame your local school for exceeding state imposed legacy revenue limits that are inherently unequal. Schools are going to referendum based on what predictive variables? Because we have no consistency in school funding people are asking for money in many cases that they think they will need.

The equalization aid formula is designed to ensure property wealthy districts receive comparatively less state aid than property poor districts. The formula, even with its warts, it accomplishes this task. When you skirt funding the formula, you bypass this mechanism. Thus we have found yet another way to make the funding system neither fair nor equal.

When I hear legislators talk about the LFB runs to see who the winners and losers are, the thing you have to understand is that we already have winners and losers, you have to have the values and the will to try to fix it. I thank you for your time and for coming to Southwest Wisconsin to hear our story.

What would they do with 50% less money? What are they doing that requires twice the funding, and if it is necessary for them to do, isn’t it necessary for my kids?

Things we’ve cut:

- School nursing services
- School counseling
- Programs: family consumer sciences, business education,
- Administrative positions elementary principal cut in 2002, added back in 2014
- Other schools have a full time GT coordinator in an elementary school; vs. Rural Wisconsin has a part-time added on position that is there on the books just to meet the requirement.
- Elementary foreign language is consistent with the research, is this a necessity or a luxury?
- Reading specialists, Data Coaches, Technology coaches, math and literacy coaches

Unfunded Mandates

Academic and Career Planning

Educator Effectiveness Evaluator time

Financial education

CPR Instruction

Gifted and Talented

Reading Specialist

RTI

Pay for Free and Reduced students to take AP exams

Early College Credit Program

Emotional regulation issues are on the rise, and in many rural Wisconsin schools we do not have teams of social workers, school psychs, and guidance counselors to help intervene.

Some issues to solve, how do we hire teachers if we don't give them CPI, if we don't have a competitive pay system? Even with a pay system that is competitive right now regionally, we have 2-4 applicants when we open jobs. We still have retirees filling 4 part time positions that we have cobbled together, they have limits on the hours they can help us, some would work more but cannot. We need relief, they are not taking jobs from anyone, we can't find people to work.

